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June 18, 2008

VIA TELEFAX (212-805-6382) AND ECF

Honorable Victor Marrero United States District Judge Southern District of New York 500 Pearl Street New York, New York 10007

RE:

Fortis Corporate Insurance v. Total Quality Logistics, Inc. et al. v. Bolivar

Insurance and Real Estate, Inc., et al.

Docket No.: 07 CV 03731(VM)

Our Ref.: 07-E-002-LS

Dear Honorable Marrero:

We represent the plaintiff in the above-referenced matter and write to provide the Court with a status report.

On February 15, 2008, this matter was placed on the Court's Suspense Docket pending the results of mediation proceedings in a related action in Tennessee State Court ("Tennessee Matter").

On June 16, 2008 we were advised by Robert Green, counsel for defendant, Hills Trucking, Inc. ("Hill's"), that the Tennessee Matter has been settled. Mr. Green has also advised that third-party defendant herein, Canal Insurance Company ("Canal"), Hill's insurer, has agreed to hold Hill's harmless and to represent Hill's in this action, if necessary. Mr. Green further advised that Canal's New York lawyers are negotiating for a global settlement.

In April, in response to a request, we proposed a settlement to Canal's New York counsel. To date, we have not received a response despite our repeated follow-up requests for an update.

In light of the foregoing, we respectfully request that a conference be scheduled in order to facilitate settlement in this action.

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We thank the Court for its kind attention to this matter.

Very truly yours,

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cc: <u>VIA TELEFAX 212-832-3155</u>

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